



## HIGHLIGHTS OF THE FINANCIAL REPORT AND THE EXTERNAL AUDITOR'S REPORT

Dear Fellow Citizens,

In conformity with section 105.2.2 of the *Cities and Towns Act*, I am pleased to present to you the highlights of the financial report for the fiscal year ended December 31, 2017, and of the external auditor's report. The financial report was audited by the firm Raymond, Chabot, Grant, Thornton, s.e.n.c.r.l.

The auditor's report contains no reservations and indicates that, in all material respects, the financial results present an accurate picture of Town of Mount Royal's financial position as at December 31, 2017, the results of its activities, the change in its net financial assets and of its net debt and the cash flows for the fiscal year ended on that date, in conformity with Canadian public sector accounting standards.

### Overview

Town of Mount Royal ended its 2017 fiscal year with an operating surplus of \$6,658,033.

Operating revenues	\$89,124,496
Operating expenses	(\$85,625,179)
Amortization of capital assets	\$5,153,054
Proceeds on disposal	\$38,835
Gain on disposal	(\$13,237)
Repayment of long-term debt	(\$4,657,768)
Appropriations	\$2,637,832
Operating surplus for the year for fiscal purposes	\$6,658,033

### Expenses and revenues

This surplus of \$6,658,033 is attributable to higher revenues combined with savings in operating expenses, compared with the 2017 budget adopted by Council in December 2016.

Overall, operating revenues totalled \$89.1 million, \$2.5 million more than forecast in the 2017 budget. This increase is due largely to additional revenue generated by real estate transfer taxes, the taxation of new housing units and the change in property values, the issuing of construction permits and interest revenues.

On the other hand, registrations for some recreational and cultural activities were lower than forecast, in particular registrations for day camps for young people. It should also be noted that management of the soccer camp and figure skating school has been transferred to local organizations, resulting in lower revenues for these two activities.

The Town's operating expenses, which were less than budgeted for, were another factor contributing to the positive result for 2017. Specifically, operating and financing expenses totalled \$85.1 million, \$5.0 million less than the 2017 budget forecast. Not limited to the following, the main factors explaining the positive differences include total remuneration, mandatory employer costs and employee benefits, the lesser use of external professional services, the supply of water and maintenance of the water distribution and sewer systems, and our tree maintenance operations.

However, we cannot leave unmentioned the Quebec government's adoption of the order in council dated July 21, 2017, which changed the formula for the fiscal capacity calculation used to distribute the expenses of the Agglomeration of Montreal. For Mount Royal, the result of this change in formula is a \$885,783 increase in the aliquot share we paid to the agglomeration in 2017.

### **Infrastructures**

In 2017, the municipal administration invested \$7.3 million in Town infrastructures.

<b>Category</b>	<b>2017</b>
Reconstruction, repair and resurfacing of streets and sidewalks	\$2,204,585
Repair of the overpass and pedestrian overpass	\$198,699
Sewers and water main rehabilitation	\$2,457,712
Other infrastructures: traffic lights, traffic signs, street lighting, etc.	\$262,969
Parks and green spaces	\$427,011
Replacement of machinery and heavy vehicles	\$757,964
Vehicle replacement	\$28,694
Renovation/improvement of municipal buildings	\$742,924
Furniture and office equipment	\$132,440
Other	\$85,642
<b>TOTAL</b>	<b>\$7,298,639</b>

## Accumulated surplus, financial reserves and reserved funds

As at December 31, 2017, the accumulated surplus, financial reserves and reserved funds totalled \$31.4 million.

Category	2017
Non-appropriated surplus	\$7,911,190
Appropriated surplus	\$17,767,765
Financial reserves	\$3,765,192
Reserved funds	\$1,907,020
<b>TOTAL</b>	<b>\$31,351,167</b>

## Debt load

The long-term debt at December 31, 2017, totalled \$29.2 million. Investments to be funded at year-end totalled \$7.7 million. Also, the amounts appropriated for repayment of the long-term debt and the unused portion of the contracted long-term debt totalled \$6.3 million. All these items brought the Town's total net long-term debt to \$30.6 million as at December 31, 2017. This debt load corresponds to 0.43% of the standardized property value at September 16, 2017.

## Additional considerations

Beyond the aforementioned, I am especially happy with the Town's concrete actions and ambitious undertakings in 2017 regarding culture and the environment.

Notable on the culture front were:

- Celebrating the 50th anniversary of the Reginald J. P. Dawson Library, with the unveiling of two murals (an indoor one by local illustrator Jacques Goldstyn and an outdoor one by the collective Les Hommes de Lettres, in collaboration MU), and the installation at the library's entrance of a large work in bronze, "The Reader", by renowned local sculptor Dr. Megerditch Tarakdjian ;
- Experiencing Festival Classica in Mount Royal for the first time, an initiative successful enough to warrant its return in 2018 ;
- Adopting an artwork acquisition policy;
- Launching a new cultural policy and a first catalogue of the Town's collection of artworks.

Accomplishments in environment and sustainable development included:

- Establishing a land reserve in the Bates/Ekers district for the eventual creation of a green space;

- Transforming Daoust Park into a greener, more contemporary and eco-friendly place;
- Adopting a new tree policy for the Town;
- Adopting a third sustainable development plan, which will guide the environmental protection activities planned by the Town through 2020.

In addition, our commitment to promoting physical activity and good lifestyle habits took shape with the construction of a basketball and pickleball court, the installation of outdoor fitness modules and an update of the Town's food services, with regard to its vending machines among other things. The Town also partnered with the Marguerite-Bourgeoys School Board in a project aimed at creating a park space for St-Clément Est school.

### **Conclusion**

All in all, at the end of fiscal 2017, Town of Mount Royal has once again demonstrated the solidity of its financial position. The numbers are conclusive, with work soon to begin on major projects, not the least of them the future sports and community centre. Unsurprisingly, long years of disciplined management and judicious planning continue to support the high quality standards of our garden city. The same is true for the trust and optimism with which the Town can resolutely look toward the future.

Given at Mount Royal, this twenty-eighth day of May in the year two thousand and eighteen.

Philippe Roy  
Mayor